

**DUNN, MCCORMACK & MACPHERSON**

ATTORNEYS AT LAW

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CHARLES C DUNN  
BRIAN M MCCORMACK  
H.L. MACPHERSON III

RECEIVED  
FEDERAL ELECTION  
COMMISSION  
OFFICE OF GENERAL  
COUNSEL  
JAMES J. ISHER  
JAN 30 2 29 PM '01

January 26, 2001

Jeff S. Jordan, Esquire  
Supervisory Attorney  
Central Enforcement Docket  
Federal Election Commission  
Washington, D.C. 20463

Re. MUR5164

Dear Mr. Jordan:

This firm represents the Performance Group. I have your letter of January 12, 2001 advising that the Reform Party of Connecticut has filed a complaint with the F.E.C. seeking additional information about contract payments made to the Performance Group by the Reform Party of the United States of America (RPUSA).

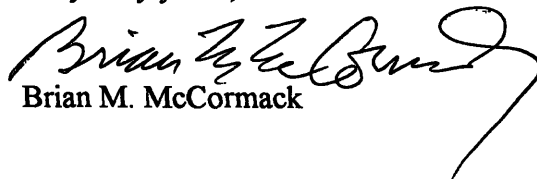
We have two objections to the complaint, one procedural and one substantive. First, the complaint fails to meet the requirements of the U.S.C. §437g(a)(1) in that it does not allege any violation by the Performance Group of any federal election law. Instead, the complaint appears to be directed against the RPUSA to have the F.E.C. compel the RPUSA to provide a more detailed post-campaign report as to its Performance Group expenditures. As you know, reporting on these expenditures is the obligation of the RPUSA and not the Performance Group. We therefore question whether the Performance Group is a proper respondent to the complaint.

Second, the RPUSA by its National Committee, its Treasurer and its Convention Committee Chairman lawfully contracted with the Performance Group to assist with the preparation and conduct of the RPUSA's 2000 Presidential Nominating Convention. This contract is entirely proper under 26 U.S.C. §9008(c). I have enclosed a copy of the contract for your review.

In light of the foregoing, we respectfully request that the complaint be dismissed as to the Performance Group because the complaint fails to allege any misconduct by the Performance Group cognizable by the F.E.C., and because the Performance Group plainly entered into a lawful contract with the RPUSA to perform the kinds of services contemplated by U.S.C. §9008 (c).

Thank you for your consideration of this response.

Very truly yours,

  
Brian M. McCormack

enclosure  
BMM/ljb

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- (5) Provide for structure of convention committees and review their functions and activities.
- (6) Assist in the creation of a security team and the security plan for the convention.
- (7) Provide for a system of credentials for convention delegates, guests, and the media.
- (8) Guide the Committee in compliance with all Federal Election Commission rules and regulations governing the Convention.

## ***II Term***

The term of this Consulting Agreement shall begin on December 20, 1999 and continue for a period of 9 months, ending September 20, 1999.

## ***III Compensation***

Compensation under this Agreement shall be as follows:

- (A) Consulting Fee. For its services, the Consultant shall be compensated in 3 disbursements as follows: \$100,000 on January 1, 2000; \$200,000 on February 1, 2000; and \$70,000 on August 1, 2000.
- (B) Expenses. In addition to the compensation described in paragraph (A) of this section, the Client shall reimburse the Consultant for all reasonable expenses incurred in the performance of duties hereunder.
- (C) Reserve. The Client shall create a reserve account in the name of the Consultant for the purpose of funding expenses beyond the retainer. Funds from this account shall only be disbursed upon the written authorization of the Client. The reserve account shall have an opening balance of not less than \$500,000.
- (D) Policy. It is the policy of the Consultant not to include normal administrative costs in the expenses billed under paragraph (B) of this section. However, it is the policy of the Consultant to charge the Client an additional \$500 per day per person for travel between 9 PM on Friday and 7 AM on Monday. This charge is in addition to any other expenses incurred by the Consultant in the course of such travel.

## ***IV Time and Consultation***

The Consultant shall devote such time as may be necessary for the good faith performance of its obligations under this Agreement. Further, the Consultant agrees to be available for telephone conversations as needed and for meetings at mutually agreeable time and locations.

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**V Confidentiality**

The Consultant agrees to keep all discussion and consultation with the Client in the strictest confidence. Any records maintained by the Consultant for the Client shall be the property of the Client.

**VI Liability**

The Consultant assumes exclusive liability for all contributions pursuant to any and all federal and state revenue acts, federal and state unemployment compensations acts, social security acts, or any amendments thereto, and by other state or federal laws or regulations requiring the payment of similar contributions or taxes.

**VII Independent Contractor**

It is stipulated and agreed to that the Consultant is and shall be an independent contractor in the performance of this Agreement. In no sense shall the Consultant be construed to be an employee or agent of the Client. In addition, as an independent contractor, the Consultant shall be free to choose the means and methods of the performance of its services hereunder in its sole discretion. The Consultant, in such capacity, shall not be entitled to, or eligible to participate in any benefits, privileges or plans given or extended by the Client to its employees.

**VIII Modification**

This Agreement may be modified at any time in writing signed by both parties.

**IX Applicability of Law**

This Agreement shall be construed under the laws of the Commonwealth of Virginia.

If the above terms reflect your understanding of our Agreement, kindly sign below and return to the above address.

***The Performance Group***

by <u>LS/</u>	by <u>LS/</u>	by <u>LS/</u>
Daniel H. Murray	Robert J. Keefe	Micheal Foudy
Murray & Murray, Inc.	TKC International, Inc.	The Heartland Group

**Agreed to: THE CONVENTION COMMITTEE OF THE REFORM PARTY OF THE UNITED STATES**

By: LS/  
Ronn Young, Chairman

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**THE PERFORMANCE GROUP**

**2001 Cool Spring Drive  
Alexandria, Virginia 22308**

**Telephone 703 619 4627**

**Fax 703 619 4628**

**December 15, 1999**

**Mr. Ronn Young  
Box 123  
Fieldale, Virginia 24089**

**RE: Consulting Agreement**

**Dear Mr. Young,**

In confirmation of the consulting arrangement we have mutually agreed to, the undersigned, The Performance Group (the Consultant) a Joint Venture between Murray & Murray, Inc., TKC International, Inc., and The Heartland Group and the 2000 Presidential Convention Committee of the Reform Party of the United States (the Client) agree as follows:

The Consultant shall provide consulting and representational services to the Client in the support, promotion and the advancement of initiatives of the Client with specific regard to the 2000 Presidential Convention of the Reform Party of the United States. The Consultant shall be an advisor to the Client on all matters of interest to the latter, and shall render such advice and consultation as is deemed necessary and proper.

**I Nature of Services**

In its capacity as a consultant, the Consultant shall make its best effort to assist the Client in establishing the organization and infrastructure that will enable the Client to conduct a Presidential Nominating Convention in the summer of 2000 for the Reform Party of the United States. The nature and the substance of this objective shall be determined by the Client with the advice and assistance of the Consultant. In this role, the Consultant shall serve as liaison to Federal, State and local organizations that are involved with the provision of services to the Convention Committee.

Specifically, the Consultant shall perform the following activities in support of the Client:

- (1) Develop a business plan for the Reform Party Convention 2000, including a work schedule, budget and organizational framework.
- (2) Assist in the creation of an objective site selection process.
- (3) Assist in the development of a Host Committee and support its planning.
- (4) Provide support in negotiating a proper contract with a Host Committee for the venue that is selected for the convention.

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# STATEMENT OF DESIGNATION OF COUNSEL

MUR 5164

NAME OF COUNSEL: Brian M. McCormack

FIRM: DUNN, McCORMACK & MacPHERSON

ADDRESS: 3925 University Drive

Fairfax, Virginia 22030

TELEPHONE: (703 ) 591-6055

FAX: (703 ) 591-5151

The above-named individual is hereby designated as my counsel and is authorized to receive any notifications and other communications from the Commission and to act on my behalf before the Commission.

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature

RESPONDENT'S NAME: The Performance Group

ADDRESS: 2001 Cool Spring Drive

Alexandria, Virginia 22308

TELEPHONE: HOME(        ) \_\_\_\_\_

BUSINESS( 703 ) 619-4627

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